



BUDGET BRIEFS

Excess Vacancies in State Government

JUNE 28, 2001

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Background

In March 2000, Senator Brulte released an analysis of vacant positions in state government. Using data from the Department of Finance, the analysis focused on the 1998-99 fiscal year, the most recent year of actual data. The analysis estimated that the state had approximately 12,000 vacant positions beyond the 9,800 traditionally associated with the state's budgeted 5-percent "salary savings."

In April 2000, **Finance released an extensive report confirming the Republican analysis.** To address this problem, the 2000 Budget Act eliminated approximately 3,600 positions. In addition, the 2001 Governor's Budget proposes to eliminate an additional 3,100 positions. In total, 6,700 of the 12,000 excess positions from the 1998-99 fiscal year have been or will be eliminated. We note that **no money has been eliminated** from any departmental budget due to the abolishment of these 6,700 positions.

In a January 2001 letter to the Joint Legislative Budget Committee, the Department of Finance proposed to retain the remaining 5,600 vacant positions from the 1998-99 fiscal year. Finance asserts that these positions are needed by the departments but are difficult to fill due to labor shortages and private sector competition for a limited labor pool.

Current Analysis

According to the data from the Controller's payroll database on the next page, there were 26,840 vacant positions in state government on June 1, 2001. We note that Finance continues to ignore data from the State's payroll database. In addition, Finance has authorized and departments have received funding for an additional 15,000 positions which have never been established in the Controller's payroll database. Therefore, the state currently has approximately 41,840 vacant positions spread throughout various departments and agencies.

After adjusting for various blanket positions (i.e. temp help, overtime, data input errors), the traditional salary savings component, and taking into account the 2,000 position reduction for the Department of Corrections contained in SB 75, we estimate there are 12,363 funded vacant positions. Assuming a cost of \$75,000 per position, (Associate level position with benefits and operating expense) these positions account for \$927 million in various "state operating funds." According to SB 75, the General Fund accounts for at least 44% of state operations, exclusive of CDC.

Given these facts, we estimate at least \$400 million in General Fund savings could be achieved by eliminating excess vacant and funded positions.

VACANT POSITION RECONCILIATION
SENATE REPUBLICAN FISCAL OFFICE

JUNE 28, 2001

Established Vacant Positions	26,840
Authorized but un-established Vacant Positions	15,000

TOTAL VACANT POSITIONS	41,840
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TECHNICAL FUNDING ADJUSTMENTS

Temporary Help Blanket	-11,085
Other State Employees Paid From Blanket But Not In Established Position	-6,392
Salary Savings	-10,000
Total Funded Vacancies Available for Budgetary Reduction	<u>14,363</u>
Less SB 75 Cut of Department of Corrections Positions	-2,000
Net Available Excess Vacancies	<u>12,363</u>

COSTING

Associate Level plus OE&E	\$75,000
Total Funds Cost	\$927,225,000
General Fund ratio of State Operations (excluding CDC)	0.443
GENERAL FUND SAVINGS	<u>\$410,760,675</u>

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